



BUDGET
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Current State of the American Economy

Over the past 3 years, America has witnessed a **multi-trillion dollar spending binge** by a Democrat-controlled Congress and White House through a fiscal policy of **more spending, more taxing, and more borrowing**. Their fiscal agenda represented not only record levels of wasteful spending, but most importantly the **largest tax increase in American history**. By forcing American families to pay for this reckless spending, Democrats lost touch with the needs of ordinary, hard-working Americans who are still struggling in these trying economic times. The facts show that the Democrats' fiscal agenda is nothing but generational theft, frontloading our children and grandchildren with impossible levels of debt.

Real world impacts of the Democrats' fiscal agenda:

Jobs Update:

- *Texas in January*: unemployment at 8.3%¹
- *North Texas in January*: unemployment at 8.0%
- *Nation in February*: unemployment at 8.9%

- **Federal Deficit:** amount spent by Congress exceeding annual revenue²
 - Current FY 2011 Deficit (October 1st 2010 – February 1st 2011): \$642 billion³
 - Deficit Accumulation
 - FY2007: \$160.7 billion
 - FY 2008: \$459 billion, a record U.S. deficit through 2008
 - FY 2009: \$1.4 trillion, over three times larger than the last year's record deficit
 - FY 2010: \$1.3 trillion
 - FY 2011: \$1.65 trillion
 - FY 2012: \$1.1 trillion (projected)
- **Public Debt:** amount owed by the US government
 - Debt in March: \$ 14.23 trillion⁴
- **The President's Budget**⁵
 - By 2021 the debt is estimated to reach \$26.4 trillion
 - Equal ten year increase of \$12.2 trillion or an 86% increase.
 - The amount of new debt proposed by President Obama's budget, released on February 14, 2011, is greater than the total amount of debt accumulated by the federal government from 1789 until January 20, 2009.
 - The President's Budget represents a 28% spending increase since 2008.
 - Calls for a \$1.6 trillion tax increase
 - Including \$919 billion income tax increase
 - The tax burden will increase from 14.4% of GDP in 2011 to 20.0% of GDP in 2021.

¹ Texas Workforce Commission

² Department of Treasury (Financial Management Service)

³ Department of Treasury (Financial Management Service)

⁴ Department of Treasury (Bureau of the Public Debt)

⁵ Republican Study Committee

House Republican Majority Fiscal Agenda:

House Republicans will create a new path to prosperity by cutting spending, keeping taxes low, and reforming government. Our plan will address the challenges we face today in a real and meaningful way. We must drastically reign in out of control spending. That is why in the first 19 days of legislative session Congress voted for the following spending cuts⁶:

- A complete repeal of the \$1.4 trillion Obamacare law (January 9, 2011)
- \$61 billion in reductions from the President's budget in the Continuing Resolution (February 17, 2011)
- \$8 billion rescinded from FHA Refinance Program (March 10, 2011)
- \$1 billion termination of Neighborhood Stabilization Program (March 16, 2011)

Furthermore, we must engage in a serious discuss about entitlement reform that focuses on saving these programs for current and future generations while ensuring that we get our debt under control. Finally, we must grow jobs in America by help create an environment in which employers can grow and expand their business. These ideals were codified in the Pledge to America and House Republicans are intent on keeping our promise.

The Sessions Solution:

Unlike the Democrat's fiscal agenda of *more spending, more taxing, and more borrowing*, I believe that a truly pro-growth fiscal agenda to address the serious issues facing American families and our economy should **curb spending, cut taxes to create jobs, and control our debt**. These pro-growth solutions will **provide immediate financial relief for American families, allow businesses to reinvest in their companies, help bolster the housing market, and eliminate unfair tax burdens.**

- **Immediate Tax Relief for Working Families**

- Reduce the lowest individual tax rates from 15% to 10% and from 10% to 5%.
 - As a result, every taxpaying-family in America would see an average benefit of \$500 in tax relief for the 10% bracket and \$1,200 for the 15% bracket.

- **Help for America's Small Businesses**

- Tax Reform
 - I have introduced introduce legislation to create a flat Corporate Income Tax of 18% which will immediately allow companies to expand their business, employ more Americans, and inject certainty into the marketplace.
- Allow businesses more freedom
 - I have introduced my own legislation – *H.R. 158, the EXPENSE (Expensing Property Expands our Nation's Strong Economy) Act of 2011*. This bill allows companies to choose the asset depreciation schedule that best suits their individual business and creates incentives for American enterprises to reinvest in their businesses, new equipment, and people to run that equipment.

- **Job Creation**

- Repealing unnecessary government regulations
 - Earlier this year, Congress passed a bill I authored, H.Res. 72, which directs standing House committees to perform Congressional oversight of the 43 new regulations enacted last year as well as any regulations that negatively impact jobs and the economy. I believe that through appropriate examination we will be able to reduce government regulation, unleash the free enterprise system from over burdensome regulations, and immediately create American jobs.

| GOP Pro-Growth Fiscal Policy: | | |
|-------------------------------|-----------------------|-------------------------------------|
| Proven Record of Growth | | |
| Year/ Party | GDP [1] (billions) | DOW [2] (close of year) |
| 1993/D | 6657.4 | 3754 |
| 1994/R | 7072.2 | 3834 |
| 1995/R | 7397.7 | 5117 |
| 1996/R | 7816.9 | 6448 |
| 1997/R | 8304.3 | 7908 |
| 1998/R | 8747 | 9181 |
| 1999/R | 9268.4 | 11497 |
| 2000/R | 9817 | 10788 |
| 2001/R | 10,128 | 10021 |
| 2002/R | 10,469.60 | 8,341 |
| 2003/R | 10,960.80 | 10,453 |
| 2004/R | 11,685.90 | 10,783 |
| 2005/R | 12,421.90 | 10,717 |
| 2006/R | 13,178.40 | 12,463 |
| 2007/D | 13,807.50 | 13,264 |
| 2008/D | 14,264.60 | 8,776 |
| 2009/D | 14,258.20 | 10,428 |
| 2010/D | 14,660.20 | 11,577 |

⁶ clerk.house.gov